

Resonant Inc
Form 424B5
September 09, 2016

Filed Pursuant to Rule 424(b)(5)

Registration No. 333-211374

PROSPECTUS SUPPLEMENT

(to Prospectus dated May 27, 2016)

2,360,870 Shares

Common Stock

We are offering 2,360,870 shares of our common stock. Our common stock is listed on The NASDAQ Capital Market under the symbol RESN. On September 8, 2016, the last reported sale price for our common stock on The NASDAQ Capital Market was \$5.13 per share.

The aggregate market value of our common stock held by non-affiliates pursuant to General Instruction I.B.6 of Form S-3 is \$34.7 million, based on 9,590,626 shares of common stock outstanding, of which 5,663,453 shares were held by non-affiliates, and a last reported sale price on The NASDAQ Capital Market of \$6.13 on August 9, 2016. During the 12 calendar months prior to and including the date hereof, we have not sold any securities pursuant to General Instruction I.B.6. of Form S-3.

Investing in our common stock involves risks. See Risk Factors beginning on page S-3 of this prospectus supplement.

	Per Share		Total
Public Offering Price	\$	4.25	\$ 10,033,698
Underwriting Discount (1)	\$	0.255	\$ 602,022
Proceeds, Before Expenses, to Resonant Inc.	\$	3.995	\$ 9,431,676

(1) In addition, we have agreed to reimburse up to \$65,000 of the out-of-pocket fees and expenses of the underwriter in connection with this offering, and to issue to the underwriter warrants to purchase aggregate shares of our common stock in an amount up to 5% of the shares of common stock sold in the this offering (including the over-allotment option to the extent exercised), with an exercise price equal to 100% of the per-share public offering price. See Underwriting beginning on page S-26 of this prospectus supplement for additional information regarding underwriting compensation.

We have granted the underwriter the 30-day option to purchase up to an additional 354,130 shares of our common stock at the public offering price, less the underwriting discount to cover over-allotments, if any.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. It is illegal for any person to tell you otherwise.

We anticipate that delivery of the shares of common stock will be made on or about September 14, 2016.

Sole Book-Running Manager

National Securities Corporation

The date of this prospectus supplement is September 9, 2016.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement is a supplement to the accompanying prospectus that is also a part of this document. This prospectus supplement and the accompanying prospectus are part of a registration statement on Form S-3 (File No. 333-211374) that we filed with the Securities and Exchange Commission, or the SEC, using a shelf registration process. Under this shelf registration process, we may from time to time sell any combination of securities described in the accompanying prospectus in one or more offerings up to a total of \$35.0 million.

This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or a solicitation of an offer to buy the shares offered hereby in any jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation.

This document is in two parts. The first part is this prospectus supplement, which describes the terms of the offering of common stock and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into the accompanying prospectus. The second part is the accompanying prospectus, which provides more general information, some of which may not apply to the common stock. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or any document incorporated by reference therein, on the other hand, you should rely on the information in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus or any free writing prospectus. We have not, and the underwriter has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. The information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus is current as of the date such information is presented, regardless of the time of delivery of this prospectus supplement or of any sale of the shares. Our business, financial condition, results of operations and prospects may have changed since those dates. It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, in making your investment decision. You should also read and consider the information in the documents we have referred you to in the sections entitled Where You Can Find More Information and Incorporation of Certain Information By Reference below.

This prospectus supplement and the information incorporated herein by reference include trademarks, services marks and trade names owned by us or other companies. All trademarks, service marks and trade names included or incorporated by reference into this prospectus supplement or any related free writing prospectuses are the property of their respective owners.

Unless the context otherwise requires, the terms we, our, us, our company, and Resonant refer to Resonant Inc. and its subsidiaries.

SUMMARY

This summary highlights selected information contained elsewhere or incorporated by reference in this prospectus supplement or the accompanying prospectus. Because it is a summary, it does not contain all of the information that you should consider before investing in the shares. You should read this entire prospectus supplement and the accompanying prospectus carefully, including the Risk Factors, and the financial statements and other information incorporated by reference in this prospectus supplement and the accompanying prospectus.

Resonant Inc.

Resonant Inc. is a late-stage development company creating an innovative software and intellectual property platform that has the ability to reduce the time to market and unit cost in the design of filters for radio frequency, or RF, front-ends for the mobile device industry. The RF front-end, or RFFE, is the circuitry in a mobile device responsible for analog signal processing and is located between the device's antenna and its digital baseband. The platform we are developing is based on fundamentally new technology that we call Infinite Synthesized Networks®, or ISN®, to configure and connect resonators, the building blocks of RF filters. Filters are a critical component of the RF front-end used to select desired radio frequency signals and reject unwanted signals. Our goal is to utilize our ISN® platform to support our customers in reducing their time to develop complex filter designs, to access new classes of filter designs, and to do it more cost effectively.

We are commercializing our technology through the creation of filter designs that address the problems in the high growth RFFE industry created by the growing number of frequency bands in mobile devices. We are developing a series of single-band surface acoustic wave, or SAW, filter designs for frequency bands presently dominated by larger and more expensive bulk acoustic wave, or BAW, filters. We are also developing multiplexer filter designs for two or more bands to address the carrier aggregation, or CA, requirements of our customers. Finally, we are developing unique filter designs, enabled by ISN®, to replace multiple filters and associated componentry for many bands, with higher performance. In order to succeed, we must convince RF front-end suppliers that our filter designs can significantly reduce the size and cost of their products.

We believe licensing our designs is the most direct and effective means of delivering our solutions to the market. Our target customers make part or all of the RF front-end. We intend to retain ownership of our designs, and we expect to be compensated through license fees and royalties based on sales of RF front-end filters that incorporate our designs. We currently do not intend to manufacture or sell any physical products or operate as a contract design company developing designs for a fee.

We were incorporated in Delaware in January 2012. Our principal executive offices are located at 110 Castilian Drive, Suite 100, Goleta, California 93117, and our telephone number at this location is (805) 308-9803. Our website address is www.resonant.com. The information contained on, or that can be accessed through, our website is not a part of this prospectus.

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The Offering	
Issuer	Resonant Inc.
Common stock offered by us	2,360,870 shares
Common stock to be outstanding after the offering	11,971,107 shares
Use of Proceeds	We currently anticipate that the net proceeds from the sale of the common stock will be used for working capital and other general corporate purposes. See Use of Proceeds on page S-21.
Risk Factors	See Risk Factors beginning on page S-3 for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.
NASDAQ Capital Market symbol	RESN
<p>The number of shares of our common stock to be outstanding after the offering assumes no exercise of the underwriter's over-allotment option and is based on 9,610,237 shares of our common stock outstanding as of September 2, 2016 and excludes:</p> <ul style="list-style-type: none"> • 734,990 shares of our common stock issuable upon exercise of outstanding options granted under our equity incentive plans at a weighted average exercise price of \$5.29 per share; • 877,952 shares of our common stock issuable upon the release of outstanding restricted stock units granted under our equity incentive plans with a weighted average grant date fair value of \$4.28 per share; and • 766,537 shares of our common stock available for issuance or future grant pursuant to our equity incentive plan; • 2,881,409 shares of our common stock issuable upon exercise of outstanding warrants at a weighted average exercise price of \$3.13 per share; and • the shares of our common stock issuable upon the exercise of the underwriter's warrant. 	

Unless otherwise stated, the information in this prospectus supplement assumes that the underwriter has not exercised its option to purchase additional shares from us to cover over-allotments.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the following risks and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, including our historical financial statements and related notes, before deciding whether to purchase shares of our common stock. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. The occurrence of any of the following risks could materially and adversely harm our business, financial condition or prospects. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment.

Risks Relating to Our Business and Our Industry

We may require additional capital to continue operations beyond the next 12 months, which capital may not be available on terms acceptable to us, if at all.

Our principal sources of liquidity as of June 30, 2016 consist of existing cash and cash equivalent balances and investments held-to-maturity of \$5.7 million. Currently, we are using approximately \$2.4 million in cash per quarter for operations excluding fixed asset purchases and investments in patents. We believe that we require a minimum of \$9.0 million of additional capital in order to fund our current business plan over, at least, the 12 months following the date of this prospectus supplement. We have undertaken the present offering of our common shares to acquire the necessary capital and through this offering we expect to receive net proceeds of approximately \$9.2 million without exercise of the over-allotment option and approximately \$10.6 million if the over-allotment option is exercised in full. In the event we require additional capital, there can be no assurance that it will be available to us on acceptable terms, or at all. Additionally, if we issue additional equity securities to raise funds, whether to potential customers or other investors, the ownership percentage of our existing stockholders would be reduced. New investors may demand rights, preferences or privileges senior to those of existing holders of common stock. Additionally, we may be limited as to the amount of funds we can raise pursuant to SEC rules and the continued listing requirements of NASDAQ. If we cannot raise needed funds, we might be forced to make substantial reductions in our operating expenses, which could adversely affect our ability to implement our business plan and ultimately our viability as a company.

The report of our independent registered public accounting firm for the year ended December 31, 2015 states that due to our lack of revenue and historical losses from operations there is substantial doubt about our ability to continue as a going concern.

We have a history of operating losses and we may never achieve or maintain profitability or positive cash flows.

We have a limited operating history and only a preliminary business plan upon which investors may evaluate our prospects. We have never generated revenues and we have a history of losses from operations with an accumulated deficit as of June 30, 2016 of \$37.0 million. Our operations have been funded with initial capital contributions, proceeds from the sale of equity securities and debt. We intend to continue to make investments to support our business growth and will require additional funds to respond to business challenges, including the need to develop new technology, improve our operating infrastructure or acquire complementary businesses and technologies. Our ability to generate revenues and achieve profitability and, ultimately, positive cash flows, may depend on whether we can obtain additional capital when we need it and will depend on whether we complete the development of our technology and find customers who will license our designs. There can be no assurance that we will ever generate adequate revenues to achieve profitability and positive cash flows.

Our limited operating history makes it difficult to evaluate our business and prospects and may increase the risks associated with your investment.

We have only a limited operating history upon which our business and future prospects may be evaluated. We have encountered and will continue to encounter risks and difficulties frequently experienced by companies in rapidly developing and changing industries, including challenges related to recruiting, integrating and retaining qualified employees; making effective use of our limited resources; achieving market acceptance of our existing and future solutions; competing against companies with greater financial and technical resources; and developing new solutions. Our current operational infrastructure may require changes for us to scale our business efficiently with additional technical personnel and effectively to keep pace with demand for our solutions, and achieve long-term profitability. If we fail to implement these changes on a timely basis or are unable to implement them effectively, our business may suffer. We cannot assure you that we will be successful in addressing these and other challenges we may face in the future. As a company in a rapidly evolving industry, our business prospects depend in large part on our ability to:

- build a reputation for a superior solution and create trust and long-term relationships with our potential customers;
- distinguish ourselves from competitors in our industry;
- develop and offer a competitive technology that meet our potential customers' needs as they change;
- respond to evolving industry standards and government regulations that impact our business;
- expand our business internationally; and
- attract, hire, integrate and retain qualified and motivated employees.

If we are unable to meet one or more of these objectives or otherwise adequately address the risks and difficulties that we face, our business may suffer, our revenue may decline and we may not be able to achieve growth or long-term profitability.

Our business model is based on licensing filter designs, which is unproven. Historically, our target customers have relied on their own filter designs or purchased finished filters from a manufacturer, and have not licensed third-party designs. Consequently, we may not succeed in our licensing strategy, which would require us to adopt a new business model and would have a material adverse effect on our potential for generating revenues and potentially threaten our viability.

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Our business model is based on licensing our proprietary filter designs. We do not intend to manufacture or sell any physical products or operate as a contract design company developing designs for a fee. We believe licensing our designs is the most direct and effective means of delivering our solutions to the market. We intend to retain ownership of our designs and charge royalties based on sales of RF front-end modules that incorporate our designs.

Our target customers either make part or all of the RF front-end. These customers have historically used their own filter designs or purchased finished filters from a manufacturer. Our business model is new to the filter industry, and we may encounter resistance to our licensing strategy. The failure of our business model would have a material adverse effect on our potential for generating revenues and potentially threaten our viability.

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We may not be able to complete a design that meets our customers' specifications. Even if we succeed in developing a design that meets all of a customer's specifications, the customer could decline to use our designs in their products. Further, our customer's product could fail in the marketplace. Any of these events would have a material adverse effect on our business and potentially threaten our viability.

We are currently working on filter designs for several customers that have given us stringent performance specifications. If successfully developed, our designs will compete against other technologies for inclusion in our customers' products. Our customers' final products will then compete against other products and technologies for inclusion in mobile devices in the marketplace. There can be no assurance that we can complete our designs or that our final designs will have acceptable performance and meet our customers' specifications. Even if our filter designs have acceptable performance, there are a number of other considerations influencing the customer's decision whether to use our design, such as packaging type and manufacturing cost, many of which are beyond our control. The decision to use our designs is solely within our customers' discretion, and there is no assurance that our designs will ever be licensed. Further, if our filter design is selected by a customer for inclusion in its design or product, there is no guarantee that the customer's design or product will be selected for inclusion in mobile devices. The failure to be selected at the design stage or the device stage would have a material adverse effect on our business and potentially threaten our viability.

We are not a filter manufacturer and thus we are required to fabricate our duplexer designs through our engagement of filter fabricators or manufacturers. For some of our customers that will not manufacture our design themselves, our customer may insist on approving the filter manufacturer, and the customer will not license our design unless the manufacturer can demonstrate the ability to economically produce the duplexer design in large volumes.

We believe our designs can be manufactured using existing technology, but we will be dependent on the manufacturer's filter fabrication processes and capabilities for our filter designs. Even if we successfully design a fully compliant duplexer, the customer will not license our design unless the manufacturer can demonstrate the ability to economically produce the design in large volumes. We do not have any control over the manufacturer. We cannot assure you that the manufacturer will have the necessary technology, skills and resources to successfully manufacture our design in commercial quantities.

Our SAW-based circuit designs will be complex and may prove difficult to manufacture in commercial quantities. We will be relying on our customers and filter fabricators or manufacturers to build our designs. Our business could fail if they encounter difficulties manufacturing our designs in commercial quantities.

We are developing complex RF circuit designs, which is inherently challenging. The substantial majority of our filter designs have only been manufactured as initial prototypes. Furthermore, we will be relying on our customers and filter fabricators or manufacturers to manufacture our designs. They will need to manufacture our designs in commercial quantities at an acceptable cost, and we will have little or no control over the manufacturing process. They must also operate and maintain sophisticated manufacturing equipment, and equipment failures can have adverse consequences on production volumes and schedules. They may encounter difficulties in scaling up production of our designs currently in development or other future designs, including problems with quality control and assurance, raw material and component supply shortages, increased costs, shortages of qualified personnel and/or difficulties associated with compliance with regulatory requirements. Any of these problems may adversely affect the timing and amount of our future revenues. Additionally, if our customers and their suppliers encounter difficulties manufacturing our designs in commercial quantities, our business could fail.

Our business success relies on manufacturers to fabricate our circuit designs, and market acceptance of our designs could be adversely affected if the manufacturers decline to manufacture our designs.

We are a filter design company and will not commercially manufacture any products. Our business model contemplates licensing our designs to customers, who will manufacture our circuit designs themselves or rely on third party manufacturers, commonly referred to as fab houses, to fabricate our circuit designs for integration into the customer's overall product. Many fab houses offer potentially competitive filter technology as part of their standard product line or offer the services of in-house design teams which may consider us competition. In this case, our customers may face resistance by their fab houses to manufacture our designs. We believe the economics can be structured to make it attractive to the fab houses to manufacture our designs for our potential customers but we cannot be assured of the success in convincing them of the value of manufacturing our designs. The reluctance of fab houses to manufacture our designs could adversely affect the market acceptance of our designs.

We develop and test our designs under laboratory conditions using low volume production samples. Once in production, our designs may not perform as well or prove reliable due to manufacturing variations and operating conditions. This could adversely affect our business.

We develop and test our designs under laboratory conditions using low volume production samples. The transition from product development to commercial production requires high volume manufacturing which introduces product variations. These variations can adversely affect performance and reliability. Similarly, our designs may not perform as well or prove sufficiently reliable under actual operating conditions. This could adversely affect our business.

We are actively working on filter designs with, and expect to derive all of our revenues from, a small number of customers. Our failure to retain or expand customer relationships will have an adverse effect on our revenues.

We are currently working on filter designs with only a small number of customers, who may decide not to continue their relationship with us. We expect to derive our revenues from a small number of customers. Our revenues may fluctuate significantly in the future should we develop our technology and enter into new customer relationships. Our failure to retain or expand customer relationships, or any problems we experience in collecting receivables from them, would harm our financial condition and results of operations. Additionally, our industry is experiencing consolidation among suppliers and manufacturers of RF front-end components and modules, including as module suppliers vertically integrate by acquiring component suppliers and fabs. This may lead to fewer customers and reduced demand for our designs and replacement of our designed products by the combined entity with those of our competitors, each of which could adversely affect our business, financial condition and results of operations.

We plan to be a design firm licensing our filter circuit designs to manufacturers of RF front-ends for mobile devices. If our circuit designs do not achieve widespread market acceptance among RF front-end manufacturers, we will not be able to generate the revenue necessary to support our business.

Achieving acceptance among RF front-end manufacturers of our circuit designs will be crucial to our continued success. We have no history of marketing circuit designs and we may fail to generate significant interest in our initial commercial circuit designs or any other circuit designs we may develop. These and other factors may affect the rate and level of market acceptance, including:

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- our royalty fees and the cost of our designed filters relative to other competing designs and technologies;
- perception by RF front-end manufacturers and mobile device manufacturers;
- press and blog coverage, social media coverage, and other publicity and public relations factors which are not within our control; and

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- regulatory developments related to manufacturing, marketing and selling our designs.

If we are unable to achieve or maintain market acceptance, our business would be harmed.

The complexity of our designs could result in unforeseen delays or expenses from latent defects that could reduce the market acceptance for our designs damage our reputation with prospective customers and adversely affect our future revenues and operating costs.

We are developing highly complex filters designs using a new approach. We have not previously produced any designs that have gone into commercial production and therefore cannot be certain our methods and testing procedures are adequate to detect latent design defects. If any of our designs contain latent defects, we may be unable to correct these problems. Consequently, our reputation may be damaged and customers may be reluctant to buy our designs, which could harm our ability to attract customers and negatively impact our financial results. These problems may also result in claims against us by our customers or others.

Our designs may not gain widespread acceptance unless they offer greater benefits to our customers than offered by competing RF filter designs.

RF front-end manufacturers are primarily concerned with the cost, size and performance of RF filters. Our designs may not gain widespread acceptance unless, as compared to competing RF filter designs, they are smaller in size, can be fabricated at reduced cost or improve performance. There can be no assurance that our surface acoustic wave, or SAW, filter designs will cost sufficiently less to manufacture than existing bulk acoustic wave, or BAW, filters, or that our tunable filter designs can replace a sufficient number of conventional filter designs, to prove economically attractive to RF front-end manufacturers or that our filter designs will be smaller in size or perform better.

Our technologies are not yet verified in practice or on a commercial scale.

Our technologies have not been tested in a commercial setting or on a commercial scale. There is no assurance that we will be able to fully develop or license our proposed designs on a timely basis, or at all.

Our industry is subject to intense competition and rapid technological change, which may result in circuit designs, products or new solutions that are superior to our designs under development. If we are unable to anticipate or keep pace with changes in the marketplace and the direction of technological innovation and customer demands, our designs may become less useful or obsolete and our operating results will suffer.

We operate in an industry which is subject to intense and increasing competition and rapidly evolving technologies. Because our designs are expected to have long development cycles, we must anticipate changes in the marketplace and the direction of technological innovation and customer demands. To compete successfully, we will need to demonstrate the advantages of our designs and technologies.

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Our future success will depend in large part on our ability to establish and maintain a competitive position in current and future technologies. Rapid technological development may render our designs under development, or any future designs we may have, and its technologies obsolete. Many of our competitors have or may have greater corporate, financial, operational, sales and marketing resources, and more experience in research and development than we have. We cannot assure you that our competitors will not succeed in developing or marketing technologies or products that are more effective or commercially attractive than our designs or that would render our technologies and designs obsolete. We may not have or be able to raise or develop the financial resources, technical expertise, or support capabilities to compete successfully in the future. Our success will depend in large part on our ability to maintain a competitive position with our technologies.

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If our principal end markets fail to grow or experience declines, our net revenue may not meet our business plan expectations.

According to our business plan, our initial circuit designs will be incorporated into mobile wireless devices. Accordingly, demand for our designs is dependent on the ability of mobile wireless device manufacturers to successfully sell wireless devices that incorporate our designs. We cannot be certain whether these manufacturers will be able to create or sustain demand for their wireless devices that contain our designs or how long they will remain competitive in their business, if at all. The success of these mobile wireless device manufacturers and the demand for their wireless devices can be affected by a number of factors, including:

- market acceptance of their mobile wireless devices that contain our designs;
- the impact of slowdowns or declines in sales of mobile wireless devices in general;
- their ability to design products with features that meet the evolving tastes and preferences of consumers;
- fluctuations in foreign currency;
- relationships with wireless carriers in particular markets;
- the implementation of, or changes to, mobile wireless device certification standards and programs;
- technological advancements in the functionality and capabilities of mobile wireless devices;
- the imposition of restrictions, tariffs, duties, or regulations by foreign governments on mobile wireless device manufacturers;
- failure to comply with governmental restrictions or regulations;
- cost and availability of components for their products; and

- inventory levels in the sales channels into which mobile wireless device manufacturers sell their products.

Our proprietary rights may be difficult to enforce, which could enable others to copy or use aspects of our intellectual property without compensating us, thereby eroding our competitive advantages and harming our business.

Our success depends, in part, on our ability to protect proprietary methods and technologies that we develop under the intellectual property laws of the United States and other countries, so that we can prevent others from using our inventions and proprietary information. If we fail to protect our intellectual property rights adequately, our competitors might gain access to our technology, and our business might be adversely affected. We rely on trademark, copyright, trade secret and patent laws, confidentiality procedures and contractual provisions to protect our proprietary methods and technologies. We currently hold several patents and have pending patent applications related to our technology solutions. Valid patents may not be issued from our pending applications, and the claims allowed on any issued patents may not be sufficiently broad to protect our technology or offerings and services. Any patents we currently hold or that may be issued to us in the future may be challenged, invalidated or circumvented, and any rights granted under these patents may not actually provide us with adequate defensive protection or competitive advantages. Additionally, the process of obtaining patent protection is expensive and time-consuming, and we may not be able